

Message Text

UNCLASSIFIED

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ORIGIN ARA-14

INFO OCT-01 ISO-00 SAB-02 H-02 L-03 PM-05 NSC-05
SP-02 SS-15 CIAE-00 COME-00 DODE-00 DOTE-00 EB-08
FMC-02 INR-07 NSAE-00 CG-00 DLOS-09 OES-07 PA-02
PRS-01 INRE-00 NSCE-00 SSO-00 USIE-00 /085 R

ARA/PAN:EJNADEAU:LKB
APPROVED BY ARA/PAN:EJNADEAU
H:RBECKEL (SUBS)
S/AB:AMBASSADOR POPPER
-----028633 132212Z /70/41
O 121721Z AUG 77
FM SECSTATE WASHDC
TO AMEMBASSY PANAMA IMMEDIATE

UNCLAS STATE 191313

FOR AMBASSADOR JORDEN

E.O. 11652: GDS

TAGS:PFOR, PN

SUBJECT: PANAMA CANAL TREATY

FYI.FOLLOWING LETTER FROM PRESIDENT AND ATTACHMENT "SHORT SUMMARY OF THE AGREEMENT IN PRINCIPLE" NOW BEING DELIVERED TO ALL HOUSE AND SENATE OFFICES FOR TRANSMITTAL TO MEMBERS IN HOME STATES. MATERIAL FOR MORE GENERAL USE WILL FOLLOW.

BEGIN QUOTE. TO THE MEMBERS OF THE UNITED STATES CONGRESS.

AS YOU KNOW, AMBASSADORS BUNKER AND LINOWITZ HAVE REACHED AN AGREEMENT IN PRINCIPLE WITH THE GOVERNMENT OF PANAMA ON THE PANAMA CANAL TREATY, AND HAVE NOW REVIEWED THE TERMS WITH ME, THE ACTING SECRETARY OF STATE, THE SECRETARY OF
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DEFENSE AND THE JOINT CHIEFS OF STAFF. IT WAS THE UNANIMOUS CONCLUSION OF US ALL THAT OUR NATIONAL INTERESTS WILL BE ADVANCED BY THE TERMS OF THIS AGREEMENT. THE JOINT CHIEFS HAVE BEEN REPRESENTED IN THE NEGOTIATIONS, AND GIVE THEIR UNQUALIFIED SUPPORT TO THE TERMS OF THE AGREEMENT.

I WILL CONTINUE MY REVIEW OF THESE PRINCIPLES, AND I
EXPECT TO AUTHORIZE THE COMPLETION OF THE FORMAL TREATY

DRAFTING.

THIS IS A DIFFICULT POLITICAL QUESTION, AND I NEED YOUR
HELP DURING THE COMING WEEKS.

I AM CONVINCED THAT THE TREATIES ARE ESSENTIAL TO ENSURE
THE CONTINUED EFFECTIVE USE OF THE CANAL FOR AMERICAN
COMMERCIAL AND SECURITY NEEDS.

YOU CAN CALL US DIRECTLY WITH SPECIFIC QUESTIONS, BUT IN
THE MEANTIME I AM ENCLOSING FOR YOUR USE A SHORT SUMMARY
OF THE AGREEMENT IN PRINCIPLE. SINCERELY,

BEGIN ATTACHMENT. DEFENSE AND NATIONAL SECURITY.

UNDER THE NEW TREATIES THE U.S. WILL BE ABLE TO GUARANTEE
THE SECURITY AND DEFENSE OF THE PANAMA CANAL:

-- THE U.S. WILL HAVE THE PERMANENT RIGHT TO DEFEND THE
NEUTRALITY OF THE CANAL FROM ANY THREAT, FOR AN INDEFINITE
PERIOD;

-- THE U.S. WARSHIPS WILL HAVE THE PERMANENT RIGHT TO
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TRANSIT THE CANAL EXPEDITIOUSLY AND WITHOUT CONDITIONS,
FOR AN INDEFINITE PERIOD;

-- FOR THE REST OF THE CENTURY, U.S. MILITARY FORCES WILL
HAVE THE PRIMARY RESPONSIBILITY TO PROTECT AND DEFEND
THE CANAL; THE GOVERNMENT OF PANAMA GUARANTEES THE U.S.
THE RIGHT TO STATION TROOPS IN PANAMA AND TO USE ALL
LANDS AND WATERS NECESSARY FOR THE CANAL'S DEFENSE.

CANAL OPERATIONS.

THE UNITED STATES WILL MAINTAIN CONTROL OVER ALL LANDS,
WATERS AND INSTALLATIONS -- INCLUDING MILITARY BASES --
NECESSARY TO MANAGE, OPERATE, AND DEFEND THE CANAL. A NEW
AGENCY OF THE U.S. GOVERNMENT WILL OPERATE THE CANAL.
THIS AGENCY, WHICH REPLACES THE PANAMA CANAL COMPANY, WILL
ASSURE UNITED STATES CONTROL OF CANAL OPERATIONS FOR THE
REST OF THE CENTURY. THE CANAL WILL BE OPEN TO ALL
SHIPPING ON A NON-DISCRIMINATORY BASIS.

ON THE EFFECTIVE DATE OF THE TREATY, PANAMA WILL ASSUME
GENERAL TERRITORIAL JURISDICTION OVER THE PRESENT CANAL

ZONE, AND MAY USE PORTIONS OF THE AREA NOT NEEDED FOR THE OPERATION AND DEFENSE OF THE CANAL. AT THE END OF 1999, PANAMA WILL ASSUME CONTROL OF THE CANAL OPERATIONS.

ECONOMIC FACTORS.

DIFFICULT FINANCIAL NEGOTIATIONS HAVE PRODUCED A FAIR AND EQUITABLE PACKAGE, WHICH WILL NOT INVOLVE ANY CONGRESSIONAL APPROPRIATIONS. PANAMA WILL RECEIVE EXCLUSIVELY FROM CANAL REVENUES:

-- A SHARE IN TOLLS - 30 CENTS PER PANAMA CANAL TON;

-- DOLS 10 MILLION PER YEAR FROM TOLL REVENUES;
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-- UP TO AN ADDITIONAL DOLS 10 MILLION PER YEAR ONLY IF CANAL TRAFFIC AND REVENUES PERMIT.

IN ADDITION, THE UNITED STATES HAS PLEDGED ITS BEST EFFORTS, OUTSIDE THE TREATY, TO ARRANGE FOR AN ECONOMIC PROGRAM OF LOANS, LOAN GUARANTEES AND CREDITS:

-- UP TO DOLS 200 MILLION IN EXPORT-IMPORT BANK CREDITS;

-- UP TO DOLS 75 MILLION IN AID HOUSING GUARANTEES;

-- A DOLS 20 MILLION OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC) LOAN GUARANTEE.

THIS 5-YEAR PACKAGE WILL CONTAIN STANDARD "BUY AMERICAN" PROVISIONS THAT WILL GREATLY BENEFIT U.S. BUSINESSES WHICH INVEST IN AND SELL GOODS AND SERVICES TO PANAMA.

RIGHTS OF U.S. EMPLOYEES.

ALL U.S. CIVILIANS CURRENTLY EMPLOYED IN THE CANAL CAN CONTINUE IN UNITED STATES GOVERNMENT JOBS UNTIL RETIREMENT. THEY WILL ENJOY THE RIGHTS AND GUARANTEES EXTENDED TO ALL U.S. GOVERNMENT EMPLOYEES OVERSEAS.

NEW SEA LEVEL CANAL.

THE AGREEMENT ENVISIONS THE POSSIBILITY OF BUILDING A NEW SEA LEVEL CANAL. THE U.S. AND PANAMA WILL JOINTLY STUDY ITS FEASIBILITY. IF THEY AGREE THAT SUCH A CANAL IS DESIRABLE, THEY WILL NEGOTIATE THE TERMS FOR ITS
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CONSTRUCTION.

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THERE WILL BE TWO TREATIES: (1) A TREATY GUARANTEEING THE
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GOVERNING THE OPERATION AND DEFENSE OF THE CANAL THROUGH
DECEMBER 31, 1999. END QUOTE.

MATERIAL FOR MORE GENERAL USE WILL FOLLOW. CHRISTOPHER

NOTE BY MPI: SUBJECT TEL REISSUED WITH DOWNGRADE OF
UNCLASSIFIED, AND STADIS CAPTION REMOVED PER STATE 192525

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ORIGIN ARA-14

INFO OCT-01 ISO-00 SIG-02 MMO-04 SSO-00 /021 R

66011

DRAFTED BY ARA/PPC:NSSMITH;MLB

APPROVED BY ARA/PPC:NSSMITH

-----029091 132325Z /70

O 132256Z AUG 77

FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS IMMEDIATE

UNCLAS STATE 191313

FOL RPT STATE 191313 ACTION PANAMA 12 AUG 77 QUOTE

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UNQUOTE VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, CANALS, LEGISLATIVE MAIL
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: NSSMITH;MLB
Enclosure: DG ALTERED
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770300-0480
Format: TEL
From: STATE JOINT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770866/aaaacdot.tel
Line Count: 379
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e33c755b-c288-dd11-92da-001cc4696bcc
Office: ORIGIN ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1613866
Secure: OPEN
Status: NATIVE
Subject: PANAMA CANAL TREATY FYI.FOLLOWING LETTER FROM PRESIDENT AND ATTACHMENT "SHORT SUMMARY OF THE AGREEMENT IN PRINCIPLE" NOW BEING D
TAGS: PFOR, PPDC, PBOR, PN
To: PANAMA
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/e33c755b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009